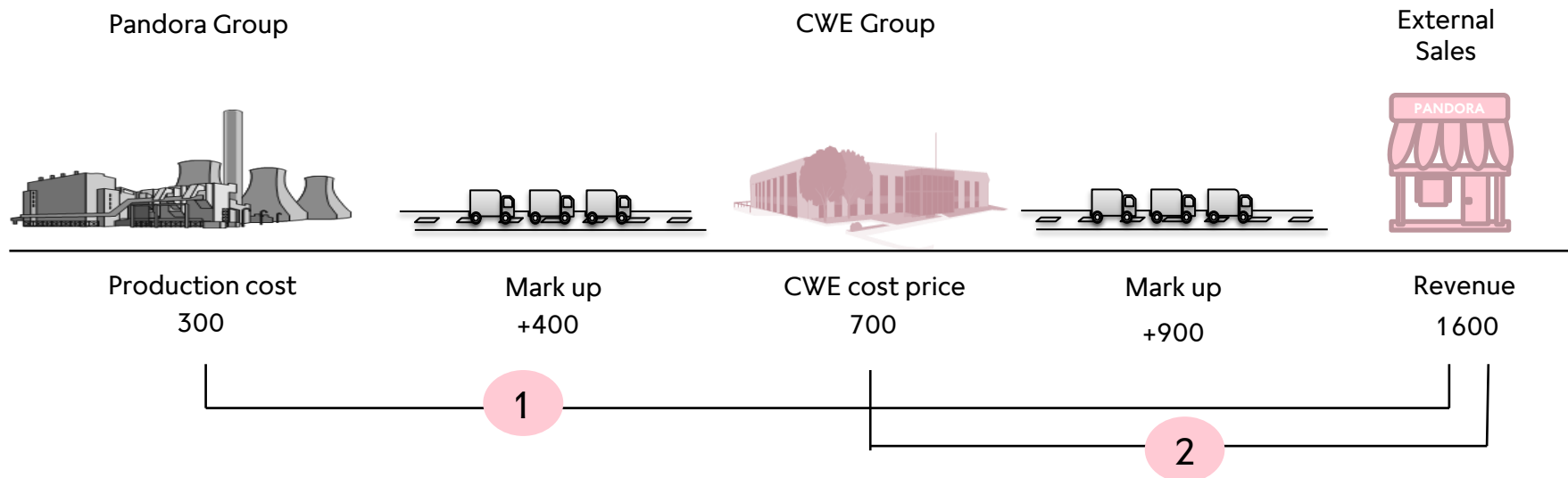


EBITDA | CWE Group contribution



EBITDA-margins

- ✓ When looking at the EBITDA margin in PANDORA it is important to distinguish between Group margin and distributor margins.
- ✓ Group EBITDA is based on production cost (1) while distributor EBITDA is based on distributor prices (production cost + a mark-up (2)).
- ✓ Pandora Central Western Europe A/S (CWE) is considered a normal distributor within the Pandora Group and their cost price is based on a distributor price list, i.e., production cost (300) + a mark-up (400).

1

| Pandora Group | |
|----------------------|--------------|
| Revenue | 1.600 |
| - Cost of goods sold | -300 |
| Gross profit | 1.300 |
| - Operating expenses | -750 |
| EBITDA | 550 |
| EBITDA-margin | 34% |

2

| CWE Group | |
|----------------------|------------|
| Revenue | 1.600 |
| - Cost of goods sold | -300 |
| - Mark-up | -400 |
| Gross profit | 900 |
| - Operating expenses | -750 |
| EBITDA | 150 |
| EBITDA-margin | 9% |

